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**National Animal Health Emergency Management System Guidelines**

**U.S. Department of Agriculture**

**2002**

DRAFT

**Operational Guidelines**

**Appraisal and Compensation**

The National Animal Health Emergency Management System Guidelines provide an operational framework for use in dealing with an animal health emergency in the United States.

The guidelines are produced by the  
Veterinary Services Unit of the Animal and Plant Health Inspection Service,  
U.S. Department of Agriculture.

These guidelines are under ongoing review. Please send questions or comments to:

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## Preface

“Appraisal and Compensation,” a component of APHIS’ National Animal Health Emergency Management System (NAHEMS) Guidelines series, is designed for use by Veterinary Services (VS) personnel in the event of a major animal health emergency such as an incursion of foreign animal disease or a natural disaster in the United States. The NAHEMS guidelines may be integrated into the preparedness plans of other Federal agencies, State and local agencies, Tribal Nations, and additional groups involved in animal health emergency management activities.

Topics covered in the guidelines include:

- Field investigations of animal health emergencies
- Disease control and eradication strategies and policies
- Operational procedures for disease control and eradication
- Site-specific emergency management strategies for various types of facilities
- Administrative and resource management
- Educational resources

The NAHEMS guidelines provide a foundation for coordinated national, regional, State, and local activities in an emergency situation. As such, they are meant to complement non-Federal preparedness activities. The guidelines are being reviewed and updated on an ongoing basis, and comments and suggestions are welcome.

“Appraisal and Compensation” provides guidelines for Appraisal Officers and associated personnel responsible for inventorying, appraising, and determining the fair market value of animals and materials designated for destruction. The guidelines are meant for use as a practical guide rather than as a comprehensive reference resource.

Additional information on appraisal and compensation may be obtained from Veterinary Services (VS) Memorandum 534.1, “All Species Appraisal and Indemnity Claim” (Appendix I). The following components of Part 53 of Title 9 of the Code of Federal Regulations (Appendix II) also may be helpful:

- Appraisal of animals or materials
- Presentation of claims
- Mortgage against animals or materials

- Claims not allowed

The general principles provided in the guidelines are intended to serve as a basis for making sound decisions. However, deviations from the guidelines may be permissible if necessary to address a given situation effectively. In addition, information provided in various sections may need to be combined to meet the requirements of a particular situation.

### **Changes in Appraisal Regulations**

From time to time, changes are made in the Federal regulations governing indemnity payment. These changes are announced in the Federal Register and also will be summarized in updated versions of “Appraisal and Compensation.”

## **Acknowledgments**

“Appraisal and Compensation” reflects the efforts of individuals, including an APHIS Veterinary Services (VS) Writing Group, additional APHIS staff members, and a wide range of reviewers. The reviewers include including Federal and State Veterinarians, members of APHIS’ animal health emergency response teams, officials of other Federal agencies, representatives of industry, and additional experts. The contributions of each individual are appreciated.

Also acknowledged with appreciation are the efforts of USDA staff and external reviewers involved with the development of the VS animal health publications (“red books”) and similar documents that have served as information sources for the NAHEMS guidelines. The contributions of each individual are appreciated.

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## Introduction

In the event of an incursion of animal disease or arthropod vector that threatens the livestock industry of the United States, the Department of Agriculture is authorized under the Animal Health Protection Act (7 U.S.C. 8301 et seq.) to prohibit or restrict the movement of any animal, article, or means of conveyance to prevent the introduction into or dissemination within the United States of any pest or disease of livestock. The Department also is authorized to pay claims arising out of the destruction of any animal, article, or means of conveyance resulting from the incursion of such animal disease. Title 9 of the Code of Federal Regulations (CFR) outlines the expenses that the Department is authorized to pay for the purchase, destruction, and disposition of animals and materials required to be destroyed as a result of the incursion of an animal disease.

Effective appraisal and compensation activities are an integral component of a successful response to a disease outbreak or other animal health emergency. They provide for the enumeration and valuation of animals and materials to be destroyed and the compensation of the owner for loss of property. They also provide the owner with an incentive to report cases of animal disease and to cooperate with the rigorous measures necessary to control an outbreak.

“Appraisal and Compensation” focuses on essential appraisal functions such as the responsibilities of appraisal personnel; appraisal procedures; assessment of compensation eligibility and fair market value; and payment of indemnity. The guidelines are designed for use not only in emergency situations but also in animal health emergency training programs. A brief overview of key elements of such programs is provided below.

## Emergency Response Exercises

Well before an animal health emergency strikes, appraisal personnel should use the “Appraisal and Compensation” guidelines in emergency response exercises designed to help them expand their knowledge of animal health emergency management. Such sessions will help learners identify likely emergency scenarios and develop detailed plans for responding to each scenario effectively.

**The First 24 Hours**—A useful assignment challenges participants to use the guidelines to create a detailed plan for the first 24 hours of an animal health emergency. Participants can use information in the guidelines to answer questions such as:

- What actions will need to be taken immediately? If these actions are not taken, what consequences will be likely?
- What relationships with other key personnel, including individuals in the emergency management community, should be in place prior to the emergency?

- What key information will be needed, and how will it be obtained?
- What obstacles may appear, and how will they be overcome?
- If an initial plan fails, what are the elements of an effective alternative plan?

**Evaluation**—The evaluation phase of exercises will provide participants with the opportunity to (a) evaluate the strengths and weaknesses of their responses in the simulation exercises and (b) focus on ways to improve their response capabilities in the event of an actual animal health emergency. The exercises also will underscore the need for participants to develop and maintain strong collaborative relationships in the emergency management community.

### **Interagency Outreach**

If the presence of an FAD or arthropod vector or other animal health emergency is identified in the United States, the appropriate local, State, and Federal Governments and their partners in the private sector (e.g., industry and academia) must respond in a coordinated, mutually supportive manner to (a) determine the nature of the outbreak, (b) initiate an appropriate response, (c) eliminate or control the disease, and (d) help facilitate recovery (e.g., resumption of trade). The NAHEMS guidelines are designed for use at any of three levels of response commensurate with the severity of the outbreak.

These levels include:

- *A local/limited response.* This level of response is managed by local, State, Federal, and industry officials, with response coordination provided primarily at the State and regional levels and with national-level consultation and consequence management (e.g., trade issues).
- *A regional response.* A regional response is managed by State, Federal, and industry agricultural officials—in some cases, with the involvement of the appropriate State emergency management agency as specified in the State animal health emergency response plans. National-level crisis management, response coordination, consultation, and consequence management are required.
- *A national response.* This level of response requires the combined efforts of local, State, Federal, and industry agricultural officials as well as nonagricultural personnel from Government (e.g., the Federal Emergency Management Agency) and the private sector in national-level crisis management, response coordination, consultation, and consequence management.

Regardless of response level, the agricultural community must be prepared to work closely with the emergency management community to deal with an animal health emergency. The State-based, nationally coordinated Animal Emergency Response Organization (AERO) model addresses this need.

The AERO model is based on the Incident Command System (ICS), and emergency response approach used widely in the emergency management community. To promote the widest possible application of guidelines content throughout the agricultural and emergency management communities, this publication refers to the titles of officials and groups in terms of the AERO/ICS model. It is hoped that this approach will help the reader understand essential aspects of animal emergency response activities in terms of the model.

## **Responsibilities of Appraisal Personnel**

Appraisal personnel provide services that are essential to the control and eradication of a foreign animal disease. Key appraisal personnel include (a) an Appraisal Unit Leader, who is based at the Field Operations Center, and (b) multiple Appraisal Teams, each headed by an Appraisal Team Manager and working at multiple premises. The services of a special expert appraiser also may be needed. This section discusses the responsibilities of appraisal personnel as well as hazard communication, biosecurity measures, and personnel orientation factsheets.

The Appraisal Unit works closely with other sections to ensure a smoothly functioning operation. Appraisal activities in each State should be based either in the Finance/Administration Section or in the Operations Section at the direction of the Area Commander (Area Veterinarian in Charge or other designated official).

All appraisal personnel should educate themselves on the procedures discussed in these guidelines and in other appropriate information sources such as those mentioned in the previous section. They also should participate in educational sessions and emergency response exercises designed to help them expand their knowledge of and expertise in animal health emergency management.

### **The Appraisal Officer**

The Appraisal Officer, typically a Federal or State employee, should be identified well before a disease outbreak or other animal health emergency occurs. This individual:

- Ensures that up-to-date contact information is maintained on people who are willing and qualified to serve as Appraisal Team Leaders and team members. Complete contact information should include names; postal, express mail, and e-mail addresses; cell, office, and home telephone numbers; and fax numbers.
- Assigns personnel to Appraisal Teams and appoints an Appraisal Team Leader to supervise each team.
- Assigns Appraisal Teams to various premises, informing premises Site Managers of the teams' expected times of arrival and providing additional information as needed.
- Determines the number and types of personnel, vehicles, and equipment needed to conduct appraisal operations.
- Identifies personnel training requirements and is responsible for (a) ensuring that employees are oriented (by the Safety Officer) to on-the-job hazards and ways to avoid them, (b) seeing that employees implement proper biosecurity measures, (c)

orienting personnel to their duties, including provision of training in appraisal policies and procedures, and (d) verifying that appraisals are made in accordance with Government regulations and instructions.

- Oversees the Appraisal Team's determination of the fair market value of animals and materials that are required to be destroyed and the documentation of the basis on which the items' value is determined.
- Serves as a technical resource for information on current methods and procedures for appraising livestock, poultry, and materials, drawing as needed upon the expertise of people in various parts of the animal industry and of additional individuals who have special knowledge of the values of livestock, poultry, and other animals.
- Is knowledgeable about the current values of animals and materials and maintains files of brochures, catalogs, and other information concerning their value.
- At the owner's request, assists the Appraisal Team in securing a special expert appraiser's services (e.g., for purposes of assessing the fair market value of a purebred animal or helping resolve issues in a contested appraisal).
- Checks with the Operations Section Chief to ensure that appraisal activities are in line with the Operational Plan (e.g., ensures that animal appraisals are completed prior to depopulation).
- Checks with the Finance/Administration Section Chief to determine the appropriate procedures for processing indemnity claim forms.
- Verifies the accuracy and completeness of all required reports and submits them promptly to the APHIS Emergency Management Response System (EMRS) or to a similar acceptable reporting system.
- Keeps necessary video and photographic equipment available for the Appraisal Team's use in making photographic records as appropriate.
- Cooperates with animal health emergency groups.

### **The Appraisal Team**

The work of the Appraisal Team on an infected or exposed premises constitutes an important stage in the containment and control of a disease outbreak. Before the Appraisal Team's arrival on a premises, a foreign animal disease diagnostician (FADD)—a veterinarian trained at USDA's Foreign Animal Disease Diagnostic Laboratory to diagnose animal diseases of foreign origin—or other designated official will have visited the premises to observe the animals and take samples. Evidence

obtained by the FADD and/or other investigators will have indicated that animals and materials present a risk of spreading the disease and that they must be destroyed.

**Assignment to Premises**—The Appraisal Officer should assign an Appraisal Team to each premises as soon as possible after the Disease Reporting Officer (an official of the Planning Section) determines the premises to be infected or exposed and designates the site for depopulation. The Appraisal Team should expedite animal and materials appraisal so that subsequent animal depopulation and destruction of materials can occur promptly.

**Composition of Appraisal Team**—According to 9 CFR 53, animals affected by or exposed to disease and materials required to be destroyed because of contamination by or exposure to disease “shall be appraised by an APHIS employee and a representative of the State jointly, or, if the State authorities approve, by an APHIS employee alone.” In either case, the assessments made by the Appraisal Team must be consistent with fair market values.

The Appraisal Team typically consists of one Federal representative, one State representative, and, occasionally, a special expert appraiser (see below). The owner or owner’s representative also should be present during appraisal. The Appraisal Officer should advise the Operations Section Chief at the Incident Command Post of any personnel requirements that cannot be satisfied locally so that arrangements for additional personnel can be made.

After the Appraisal Team has determined the value of all animals and materials to be destroyed and all of the required paperwork has been completed, checked for accuracy, and signed, other Federal and State personnel will visit the premises to depopulate the animals and to destroy and dispose of the designated materials.

**Appraisal Team Leader**—The Appraisal Team Leader provides general leadership on the Appraisal Team and also is responsible for specific tasks such as:

- Assembling appraisal packets and bringing them to a premises.
- Determining the order in which animals and materials will be appraised.
- Requesting owner information on animals and materials and comparing it with the census or count taken by the FADD or other designated official.
- Cross-checking the figures on appraisal forms to verify accuracy and completeness.
- Notifying the Appraisal Officer that an appraisal has been completed so that subsequent activities can proceed.

These tasks are described in greater detail elsewhere in this document.

## **The Special Expert Appraiser**

A special expert appraiser is an individual with special knowledge of unique, special, or exotic or purebred animals and materials. The services of such an appraiser typically are used in situations calling for the appraisal of an unusual animal type or breed. The use of a special expert appraiser must be approved by the appropriate Area or Incident Commander. (For a detailed discussion of the NAHEMS emergency management organizational structure, see the NAHEMS “Roles and Responsibilities” guidelines, in progress.)

As discussed in Part VIII of VS Memorandum 534.1, “All Species Appraisal and Indemnity Claim” (Appendix I), additional cases in which a special expert appraiser would be used include the following:

- The owner and appraiser have a significant disagreement as to the value of an animal(s) or material(s) and have reached an impasse on the matter.
- Registered animals of high value are to be appraised, and the appraiser does not feel sufficiently knowledgeable of their value.
- No established market value for the animal(s) is available.
- VS officials deem the use of such services necessary for reasons satisfactory to them.
- Special expert appraisal services are required by specific program regulations or instructions.

Special expert appraisers may be identified from the membership of breed associations as well as from groups such as livestock judges, extension agents, officers of purebred associations, zoo curators, and packer buyers. (For additional groups, see VS Memorandum 534.1, Part VIII, in Appendix I.)

The Appraisal Team must advise owners of purebred or exotic animals that special appraisers may be appointed to assist in the appraisals of these animals if the owner wishes. Should an owner wish a particular animal to be appraised as a purebred animal, the owner must present the Appraisal Team with registration papers documenting the animal’s purebred status.

Special expert appraisers should not have a financial interest in the animal(s) to be appraised and should not be compensated in any way by the owner. For details on the compensation of these personnel, see VS Memorandum 534.1 (Appendix I).

## **Hazard Communication**

Before any appraisal work is initiated, the Appraisal Team should be briefed fully by the Training and Orientation Unit Leader (see the NAHEMS “Roles and Responsibilities” Guidelines, in progress) as to the nature of the disease with which it is dealing. Specific safety precautions or hygiene requirements should be explained before the team enters the premises. (This is particularly important if a zoonotic disease is involved.) Respirators should be supplied if the personnel are at risk from a disease organism, if significant amounts of dust are generated, or upon individual request. (For further information, see the “APHIS Safety and Health Manual.”)

## **Biosecurity Measures**

Observation of strict biosecurity and rigorous cleaning and disinfecting measures is essential to prevent the spread of pathogens—on, off, and between premises. A brief summary of personal and vehicular biosecurity measures is provided below, though equipment biosecurity measures also are very important. It is strongly recommended that readers refer to the NAHEMS “Biosecurity” and “Cleaning and Disinfection” guidelines (in progress) and the “Biosecurity DOs and DON’Ts” factsheet (Appendix III) for further information on these topics.

**Entrance**—Upon arrival at the entrance to a premises, Appraisal Team members should park their vehicle(s) away from site production facilities. Team members should ensure that the vehicle’s tires and wheel wells have been hosed down so they are free of dirt and debris and/or that their vehicle has been taken through a pressure car wash. A “clean” area should be designated in the vehicle—usually the passenger compartment—which should be kept separate from the “dirty” area—usually the trunk or cargo area.

Team members must put on protective outer clothing (e.g., disposable coveralls and hats and disposable or rubber boots) and also must follow other procedures outlined in the NAHEMS “Biosecurity” and “Cleaning and Disinfection” guidelines and “Biosecurity DOs and DON’Ts” factsheet.

**Departure**—Upon their departure from the premises, Appraisal Team members should remove their outer protective clothing, including boots and hats, and seal it securely in a plastic garbage bag for disposal or cleaning and disinfection. Again, the team should follow the biosecurity principles outlined in the NAHEMS “Biosecurity” guidelines and in “Biosecurity DOs and DON’Ts.”

The Vector Control Officer should provide the Appraisal Team with guidance on any necessary pest control measures related to vehicle biosecurity. For further information on the role of the Vector Control Officer, see the NAHEMS “Roles and Responsibilities” guidelines, in progress.)

Team members also must hose down their vehicle's tires and wheel wells so they are free of dirt and debris and/or take the vehicle through a pressure car wash.

Following the day's final visit to an infected or exposed premises, each Appraisal Team member should take a complete shower, including a shampoo, and change to freshly laundered clothing. Team members also should clean under their fingernails and clear their respiratory passages by blowing their noses, clearing their throats, and expectorating into a sink with running water. This should be done immediately after leaving the infected or exposed area and before visiting public places such as restaurants or theaters.

For at least 12 hrs after their last visit to an infected or exposed premises, appraisal personnel must not have any contact with animals except on other infected or exposed premises. (*Note:* The minimum waiting period of 12 hrs applies only to official animal health emergency response personnel who follow biosecurity guidelines on their premises visits. For other premises visitors, the minimum waiting period is 5 days.) Further information is provided in the NAHEMS "Biosecurity" and "Cleaning and Disinfection" guidelines (in progress).

### **Personnel Orientation Factsheets**

Certain sections of this document may be especially relevant to the responsibilities of individual appraisal personnel. Accordingly, the Appraisal Officer may wish to distribute one- or two-page laminated factsheets on various responsibilities or tasks to these individuals. For sample factsheets, see "Biosecurity DOs and DON'Ts" and "Appraisal: An Overview" (Appendix III).

## **Appraisal Procedures**

The immediate purpose of the appraisal process is to determine the fair market value of animals and materials infected with or exposed to a pathogen. In the larger context of fighting pathogen spread, the completion of appraisals enables the prompt initiation of depopulation procedures. Thus, it is important that the appraisal process proceed smoothly and efficiently.

This section provides a discussion of basic principles that Appraisal Teams can use in performing appraisals on infected or exposed premises. For additional information, see “Appraisal of Animals and Materials” in 9 CFR 53 (Appendix II).

### **Preliminary Census**

Once an FADD or other designated official has determined that animals and materials on a premises have been infected or contaminated by (or exposed to) a pathogen, he or she will perform a preliminary census (count) of the animals and materials in need of appraisal and will enter this information into the EMRS or other acceptable database. In this sense, the FADD will serve as a liaison with the Appraisal Team in helping the team identify the animals and materials in need of appraisal.

In reviewing the data before sending an Appraisal Team to the premises, the Appraisal Officer should check with the owner as to whether any high-value animals (e.g., unique, special, or exotic or purebred animals) are present. If the answer is in the affirmative, the Appraisal Officer should arrange for the presence of a special expert appraiser to join the Appraisal Team.

### **Appraisal Packet**

The Appraisal Team Leader will assemble and bring an appraisal packet to the premises and will check the packet’s contents for completeness before arriving on the premises. The packet should include the following equipment and supplies:

- At least two sets of VS Form 1-23, “Appraisal and Indemnity Claim,” with an adequate number of continuation sheets (VS Form 1-23a) to allow for the listing of all animals and materials to be destroyed.
- Copies of required State forms.
- Premises census forms (to be made up at the time the emergency occurs so as to include disease-specific information).

- One metal clipboard.
- A copy of the NAHEMS “Biosecurity” guidelines (in progress) and the “Biosecurity DOs and DON’Ts” factsheet (Appendix III).
- Pens, pencils, and blank paper.
- Protective clothing (e.g., disposable coveralls and hat and disposable or rubber boots) for each member of the Appraisal Team.
- An adequate supply of appropriate disinfectant and the equipment necessary to apply it (e.g., boot pan, boot brush, and garden sprayer). (See the NAHEMS “Cleaning and Disinfection” guidelines, in progress.)
- Plastic garbage bags for (a) transporting the appraisal packet, including protective clothing, to and from the premises, (b) storing and sealing contaminated clothing and other materials to be left with the owner for disposal, and/or (c) removing such materials from the premises.

### **Indemnity Information**

The basis for indemnity payments to livestock and poultry owners is outlined in 9 CFR 53 (Appendix II). Appraisal personnel should study this material to gain an in-depth understanding of policies and procedures concerning appraisal and compensation.

As mentioned earlier, the following sections of the 9 CFR 53 may be particularly helpful:

- Appraisal of Animals and Materials
- Presentation of Claims
- Mortgage Against Animals or Materials
- Claims Not Allowed

In addition, appraisal personnel should become familiar with VS Memorandum 534.1, “All Species Appraisal and Indemnity Claim” (Appendix I). This document provides instructions for the completion of VS Form 1-23, “Appraisal and Indemnity Claim.”

### **VS Form 1-23**

VS Form 1-23 is used as the basis for recording appraisals and compensating owners. Specifically, VS Form 1-23 is used to:

- Document the fair market value of each animal, each similar group of animals, or each item of material appraised by VS or authorized State personnel, whether or not indemnity is to be paid.
- Document the source of the method used to establish such value.
- Calculate any indemnity payment that may be due the claimant.
- Submit an indemnity claim.
- Submit a supplemental indemnity claim.

Continuation sheets (VS Form 1-23a) should be used as necessary.

### **Coordinating Appraisal Activities**

The Appraisal Team Leader should determine the order in which animals and materials will be appraised. In general, animals should be appraised first, and materials—including animal products and feed—should be appraised last.

Appraisal should be performed before depopulation, and thus the Appraisal Team should plan to stay ahead of the euthanasia and disposal teams. Any delays between census and appraisal and/or depopulation should be reported to the Operations Section Chief, who should ensure that animal welfare concerns are addressed in all cases (e.g., administration of pain relievers to alleviate animal suffering) as appropriate.

### **Conducting an Appraisal**

The appraisal process consists of a number of steps or tasks, each of which is essential to a successful appraisal and prompt owner compensation. Some key tasks are outlined below.

**Name and Address**—One of the Appraisal Team’s first tasks is to determine the correct name and address of the owner(s) of the animals on the premises and to record this information on VS Form 1-23.

**Owner-Claimant Mortgage Certification**—The Appraisal Team must ensure that the owner or owner’s representative(s) is aware of the Owner-Claimant Mortgage Certification (see below) on VS Form 1-23 concerning liens and mortgages. The Owner-Claimant Mortgage Certification is to be “signed by the owner and by each person holding a mortgage on the animals or materials, consenting to the payment of any indemnity allowed to the person specified thereon” (9 CFR 53).

The Owner-Claimant Mortgage Certification states:

I certify that the animals and/or materials identified in this claim are (initials) \_\_\_\_\_ are not (initials) \_\_\_\_\_ mortgaged. I further certify that I own or am authorized to represent the owner of the animals and/or materials identified in this claim. I make claim for all amounts due me in accordance with all applicable laws and regulations governing the payment for the animals and/or materials identified in this claim. I fully understand my right to compensation in accordance with applicable laws and regulations, I hereby agree that the appraised value of animals and/or materials shown herein is in accordance with all applicable laws and regulations and I hereby expressly waive any claim I may have to compensation for animals and/or materials identified in this claim above the value at which such animals and/or materials are appraised as shown on this claim. I further agree to the destruction of said animals and/or materials.

**Appraisal of Animals**—The Appraisal Team Leader should (a) ask the owner to provide information on the number and location of animals, by species, on the premises and then (b) compare this information with the census or count (accessible via the EMRS database) taken earlier by the FADD or other designated official. If the Appraisal Team Leader notes a discrepancy, he or she should check with the FADD or other official.

The Appraisal Team should attempt to resolve discrepancies through discussion with the owner and the FADD who made the original count. If the discrepancy is significant and cannot be resolved readily, the Appraisal Officer should be notified. If the Appraisal Officer suspects the possibility of fraud, he or she should contact APHIS Investigative and Enforcement Services to request an investigation. (Also see the discussion of census discrepancies in Section 4.)

The team may find it useful to draw a rough map of the premises indicating the location of each group of animals and/or materials. Various areas on the map then can be “checked off” as each group of animals and/or materials is appraised.

Assessments of animals’ fair market value should be based on their individual appraised value. Animals of the same species and type may be appraised in groups, provided that all animals in the group are of comparable value per head or per pound (9 CFR 53, Appendix II). (For additional information, see Section 4.)

Special consideration may be needed to establish the fair market value of exotic species of animals (e.g., llamas). In some cases, it may be important to depopulate the animal immediately to prevent pathogen spread, and the owner may agree to allow the value of the animal to be established later, after additional information can be gathered. Owner-provided photographs and videotapes of the animal should be used in such cases.

As mentioned earlier, the Appraisal Officer should ask the owner—prior to the arrival of the Appraisal Team on the premises—whether any purebred animals are present. If so, the Appraisal Officer may arrange for a special expert appraiser to join the team as appropriate. The owner should have the required registration papers available for the team’s use. If there is any question as to whether the animal is purebred, it should be

appraised both as a nonpurebred and as a purebred animal so the appropriate appraisal will be available when the issue is resolved.

Upon completion of the appraisal of the animals on a premises, the Appraisal Team should notify both the Appraisal Officer and the Financial Officer that the animal appraisals have been completed and that the VS Form 1-23 for the animals has been signed by the owner or owner's representative. This will allow the Operations Section to proceed with depopulation activities and the Finance/Administration Section to proceed with the processing of indemnity claims. The team then should begin the materials-appraisal phase of the operation.

**Appraisal of Materials**—Materials are defined by 9 CFR 53 as “parts of barns or other structures, straw, hay, and other feed for animals, farm products or equipment, clothing, and articles stored in or adjacent to barns or other structures.” Additional examples include products such as milk, cheese, and butter and items such as board fences and wooden feed racks.

Materials to be appraised and destroyed will have been contaminated by or exposed to disease and will be incapable of being cleaned and disinfected adequately. The 9 CFR 53 also allows for appraisal and destruction of materials “in cases in which the cost of disinfection would exceed the value of the materials or disinfection would be impracticable for any reason.”

### **Reporting and Notification**

As mentioned earlier, the appraisal of animals and materials should be reported on VS Form 1-23 and on any required State forms. As outlined in 9 CFR 53, claims for animals and materials should be submitted separately. Reports of materials appraisals should, when practicable, include the number, size or quantity, unit price, and total value of each kind of material appraised (9 CFR 53).

After completing the appraisal forms, the Appraisal Team Leader should cross-check all figures, as errors are difficult to correct after the appraisal has been submitted for processing. Once cross-checking is complete, the Team Leader should obtain the signature of the owner or the owner's representative on the forms, forward the forms to the Appraisal Officer, and notify the Appraisal Officer that the appraisals for both the animals and the materials have been completed. The Appraisal Officer should ensure that this information is entered into the EMRS or other acceptable database and should notify the Operations Section Chief so that depopulation can be scheduled (if this has not already been done).

### **Visual Records**

Comprehensive visual records of animals and property made with a film, digital, or video camera may be helpful (e.g., in cases in which destruction must begin before the Appraisal Team arrives on the premises or in the event of disagreements as to value).

Such records, to be created and stored by the owner, may be useful before—and even after—the animals and/or property have been destroyed.

The Appraisal Team Leader should keep necessary video and photographic equipment available for the Appraisal Team's use in making its own photographic records as appropriate. Aerial photographs also may be helpful, especially in situations involving the rapid destruction of property. Visual records should be stored with other appraisal records.

## **Assessing Compensation Eligibility and Fair Market Value**

The Appraisal Team must be prepared to evaluate the eligibility of animals and materials on a premises for compensation and to assign them a fair market value if they are determined eligible. Each situation will present the Appraisal Team with a unique set of circumstances and issues in determining (a) compensation eligibility and (b) the appropriate amount of compensation.

### **Compensation Eligibility**

In general, appraisals should be made and compensation awarded in the following situations:

- Animals are required to be destroyed because they are affected by or have been exposed to disease.
- Materials are required to be destroyed because of their contamination by or exposure to disease.

As stated in 9 CFR 53 (Appendix II), USDA will not allow claims involving:

- A payee who has not complied with all quarantine requirements.
- Expenses for the care and feeding of animals held for destruction, unless specifically authorized or approved by the APHIS Administrator.
- The destruction of animals or materials unless they have been appraised as described and the owner has signed the VS Form 1-23.
- The destruction of animals or materials that have been moved or handled in violation of a law or regulation.

For further details, see 9 CFR 53.

### **Census Discrepancies**

The Appraisal Team should note any discrepancies between the initial census (count) of the animals on a premises and the number of animals the team records at the time of appraisal. The facts of the situation should be reconciled in consultation with the owner. Pregnant animals have additional value, and the appraisal should reflect a fair amount of extra indemnity in recognition of this fact. The owner should be prepared to document

any claims as to an animal's pregnancy. (Also see the discussion under "Number and Location of Animals," Section 3.)

### **Fair Market Value**

As detailed earlier, the Appraisal Team may draw upon a number of resources and consider many criteria in arriving at the fair market value of an animal or group of animals. The team may make on-site appraisals of individual animals or may make group appraisals as outlined in 9 CFR 53.

**On-Site Appraisal**—In assessing the market value of an animal, the Appraisal Team should consider the purpose for which the animal is being reared as well as its age, conformation, physical condition, pregnancy status, and—for dairy cows—lactation stage and records. The team can compare this profile with those of similar types of animals at local markets and sales to arrive at a fair market value for the animal.

Other sources of local market information for various species include:

- USDA's Agricultural Marketing Service ([www.ams.usda.gov](http://www.ams.usda.gov)).
- Local livestock-market sales personnel, including order buyers and market owners and managers.
- Local agricultural periodicals, including these periodicals' Web sites.
- Breed associations. Such associations are particularly good sources of market information for purebred herds or flocks.

**Group Appraisal of Animals**—Section 53 of 9 CFR provides for appraisal of animals in groups provided that "they are the same species and type" and that "where appraisal is by the head each animal in the group is the same value per head or where appraisal is by the pound each animal in the group is the same value per pound."

### **Handling Disputes**

In the event that an extraordinary emergency is declared, disputes over appraisal and compensation should not be allowed to stand in the way of the destruction of animals and materials. In such cases, the Department is authorized by the Animal Health Protection Act to seize the animals to prevent the dissemination of the pest or disease, and the owner is required to follow the order of the Secretary.

In the event of a voluntary depopulation, disputes over appraisal and compensation should be reported to the Appraisal Officer immediately. If the claimant refuses to sign the Owner-Claimant Mortgage Certification on the VS Form 1-23, or signs it under protest, all paperwork should be provided to the Appraisal Officer for action. The

Appraisal Officer then will be responsible for contacting the appropriate officials for further guidance.

### **Payment of Indemnity**

The basis for indemnity payments to owners of livestock and poultry is outlined in 9 CFR 53 (Appendix II). VS Memorandum 534.1 (Appendix I) provides instructions for the completion of VS Form 1-23.

Another useful form is VS Form 1-31, "Indemnity Claim Transmittal Form" (Appendix I, Attachment 4). VS Form 1-31 is used by the Finance/Administration Section to transmit a claim to the appropriate finance center for payment.

### **Processing**

As mentioned, once the Appraisal Team has completed VS Form 1-23 and obtained the signature of the owner or owner's representative, the Appraisal Team Leader should check the form for accuracy and completeness and send it to the Appraisal Officer. After reviewing the information, the Appraisal Officer should send the VS Form 1-23 directly to the Finance/Administration Section.

Finance/Administration Section personnel will check the VS Form 1-23 and will fill out VS Form 1-31 ("Indemnity Claim Transmittal"). Under normal circumstances, the package then will be forwarded (after final approval and securement of the required signatures) to APHIS' Marketing and Regulatory Programs Business Services (MRPBS) office in Minneapolis, Minnesota, for final processing.

MRPBS will send the payment information to USDA's National Finance Center in New Orleans, Louisiana, and the National Finance Center will send the check to the owner. This process should take 3 to 4 weeks. However, during a major disease outbreak, alternative procedures may be used (see below).

### **Alternative Procedures**

During a major disease outbreak, alternative indemnity payment processes may be implemented to expedite owner compensation. If the Appraisal Officer or other designated official is given check-writing authority, he or she may be able to review the VS Form 1-23 and issue a check in as little as 3 to 4 days.

During an outbreak, USDA's Farm Services Agency (FSA) may provide check issuance services, based on a Memorandum of Understanding currently pending between APHIS and FSA. Upon reporting to the Field Operations Center, the Appraisal Officer should

contact the Finance/Administration Section Chief to determine locally arranged procedures for processing the VS Form 1-23's.

## **References**

Agriculture and Resource Management Council of Australia and New Zealand. "Operational Procedures Manual: Valuation and Compensation" (AUSVETPLAN, ed. 2.0). Commonwealth of Australia and Each of Its States and Territories, 1996.

Blood, D.C., and Studdert, V.P. "Saunders Comprehensive Veterinary Dictionary" (2<sup>nd</sup> ed.). London: WB Saunders, 1999.

Code of Federal Regulations. Title 9, Animals and Animal Products, Parts 1 to 199. Revised as of January 1, 2002. Published by the Office of the Federal Register, National Archives and Records Administration. Washington, DC: Government Printing Office, 2002.

**Acronyms**

**APHIS**—Animal and Plant Health Inspection Service ([www.aphis.usda.gov](http://www.aphis.usda.gov)). An agency of the U.S. Department of Agriculture.

**CFR**—Code of Federal Regulations. A U.S. Government publication that contains current regulations defining ways in which various agencies will enforce the laws passed by Congress.

**EMRS**—Emergency Management Response System

**FADD**—Foreign animal disease diagnostician

**FSA**—Farm Service Agency. An agency of the U.S. Department of Agriculture.

**IES**—Investigative and Enforcement Services. A unit of APHIS.

**MRPBS**—Marketing and Regulatory Programs Business Services. A unit of the Animal and Plant Health Inspection Service.

**NAHEMS**—National Animal Health Emergency Management System

**TDD**—Telecommunications device for the deaf

**USDA**—United States Department of Agriculture

**VS**—Veterinary Services. A unit of the Animal and Plant Health Inspection Service.

## Glossary

**Animals**—Livestock, poultry, and all other members of the animal kingdom, including birds whether domesticated or wild, but not including man (9 CFR 53).

**Appraisal**—The assignment of a value for a specific animal arrived at by looking at the animal and considering all of its attributes (e.g., blood lines, age, proofs, body condition, and health) and the current value of similar animals.

**Arthropod vectors**—Certain members of the phylum *Arthropoda* (e.g., insects, ticks, and mites) that can transmit an infective agent biologically or mechanically from one host animal to another.

**Foreign Animal Disease Diagnostician**—A veterinarian who has been trained at USDA's Foreign Animal Disease Diagnostic Laboratory, Plum Island Animal Disease Center, Plum Island, New York, to diagnose animal diseases of foreign origin.

**Materials**—Parts of barns or other structures, straw, hay, and other feed for animals, farm products or equipment, clothing, and articles stored in or adjacent to barns or other structures (9 CFR 53).

**Mortgage**—Any mortgage, lien, or other security or beneficial interest held by any person other than the one claiming indemnity.

**Poultry**—Chickens, ducks, geese, swans, turkeys, pigeons, doves, pheasants, grouse, partridges, quail, guinea fowl, and pea fowl (9 CFR 53).

**Special Expert Appraiser**—An individual with special knowledge of unique, special, or exotic animals and materials. The services of a special appraiser typically are used in situations calling for the appraisal of an unusual animal type or breed. Special expert appraisers may be identified from the membership of breed associations as well as from groups such as livestock judges, extension agents, officers of purebred associations, zoo curators, and packer buyers. (For additional groups, see VS Memorandum 534.1, Part VIII, in Appendix I).

**Appendix I**  
**VS Memorandum 534.1**

*Note:* The final version of “Appraisal and Compensation,” including all attachments, will appear in high-quality, legible type.

UNITED STATES DEPARTMENT OF AGRICULTURE  
ANIMAL AND PLANT HEALTH INSPECTION SERVICE  
WASHINGTON, D.C. 20250

September 12, 1975

VETERINARY SERVICES MEMORANDUM 534.1

Subject: All Species Appraisal and Indemnity Claim

To: All Field Personnel

Veterinary Services

**I. PURPOSE**

The purpose of this memorandum is to provide instructions for the completion of VS Form 1-23, June 1975, Appraisal and Indemnity Claim for all animals and materials destroyed. (Attachment 1).

**II. CANCELLATIONS**

Veterinary Services Memorandum 534.1 (11/20/73) is hereby canceled. This action also cancels VS Form 1-10 (9/73) and its use is discontinued.

**III. AUTHORITY**

The instructions contained herein supplement, but do not amend the provisions of Title 9, Code of Federal Regulations, which contain the legal authority for the payment of indemnity. Detailed instructions relating to specific diseases are contained in the respective program memoranda series.

**IV. USE**

Veterinary Services Form 1-23 will be used to document a fair value for each animal or each like group of animals or each item of material appraised by Veterinary Services or authorized State personnel, whether indemnity is paid or not; to document the source or

method used to establish such value; to compute the indemnity due the owner-claimant, and for the submission of such claims.

Each appraisal will be made in accordance with the applicable part of Title 9, Code of Federal Regulations, Chapter I, Subchapter B, and such other instructions as are applicable.

#### V. INSTRUCTIONS

Instructions for completing VS Form 1-23 are printed on the cover and are generally self-explanatory (Attachment 2).

Veterinary Services Memorandum No. 534.12

#### VI. TRAINING

Persons using VS Form 1-23 as an appraisal document should receive prior training.

#### VII. FORMULAS

Predetermined formulas for appraisal may be used only after approval by the Regional Director concerned or the Director of a Regional Emergency Animal Disease Eradication Organization.

#### VIII. SPECIAL EXPERT APPRAISERS

Special expert appraisers are persons with special knowledge of the value of the animals concerned. The Area Veterinarian in Charge will maintain a list of available special expert appraisers. These persons may be USDA market news personnel, auctioneers, commission salesmen, packer buyers, dealers, purebred association officers, importers, zoo curators, or other qualified specialists.

##### A. Use

Special expert appraisers may be used after approval by the Area Veterinarian in Charge or the Director of a Regional Emergency Animal Disease Eradication Organization under the following conditions when:

1. An impasse between the owner and appraiser is reached;
2. Registered animals of high value are to be appraised and the appraiser does not feel sufficiently knowledgeable of their value;
3. No established market value is available;

4. Deemed necessary by the Area Veterinarian in Charge or the Director of a Regional Emergency Animal Disease Eradication Organization for reasons satisfactory to them.

5. Required by specific program regulations or instructions.

**B. Compensation**

In the case of a large outbreak of a disease, the special expert appraiser may be employed on a service contract and would be eligible for use when needed during the period of contract. On a one-time basis he may be compensated by use of Form SF-44. Where several uses are anticipated over a period of time, or where the use of the expert is for an extended period of time, a government purchase order may be used, but the service contract should be used whenever possible.

**C. Conflict of Interest**

Appraisers shall not have a vested interest in the animal to be appraised, and in no instance should they be compensated in any way by the owner. The use of a special expert appraiser must be acceptable to the owner of the animals to be appraised.

**IX. SUBMISSION OF INDEMNITY CLAIMS**

Veterinary Services Form 1-23 shall be used for the submission of claims resulting from the condemnation or destruction of animals and materials as a part of an official program activity.

**A. Time Limits**

Time limits on the slaughter of condemned animals and on the cleaning and disinfection of infected premises, are imposed by various program requirements. Any extension of the permitted period must be requested of and granted by the Deputy Administrator and properly certified by the area veterinarian in charge.

**B. Recording of Ownership**

Correct and full ownership of the animals or materials destroyed will be determined by the person tagging and branding the reactors, or the appraiser prior to appraisal. Where condemned animals or materials are owned by a company or corporation, the claim should be filed in the name of such company or corporation.

In the case of joint ownership, involving two or more partners, the full name of each (given name and surnames) must be shown in the space provided.

C. Estates or Incompetencies

Claims involving estates or incompetencies may be filed either in the name of the court appointee - administrator, executor, or guardian, such as "John Doe, Administrator of the estate of Richard Doe", or in the name of the estate, such as "Estate of Richard Doe, John Doe, Administrator." Where an estate or incompetency was created prior to the date of tagging and branding, or appraisal, a certified copy of the letter of Administration or guardianship must be furnished, together with a certification from the court that they are still in full force and effect. If the estate or incompetency was created subsequent to the date of tagging and branding, or appraisal, a properly executed Standard Form 1055, Claim against the United States for Amounts Due in Case of a Deceased Creditor, will also be required.

D. Registration Certificates - Purebred Animals

The registration certificate shall be presented at the time of appraising for all animals for which indemnity is to be claimed as registered. It shall be determined at time of appraisal that the registration certificate presented, completely identifies the animal for which it is presented by comparing tattoos, tags and other markings. The person appraising should write the reactor tag number on the registration certificate with a notation as to the cause of condemnation (Brucellosis or tuberculosis reactors, hog cholera, etc.), the date, and his initials.

If registration papers are temporarily not available, or if the animals are cattle less than 3 years of age and unregistered, the Area Veterinarian in Charge or the Director of the READEO may grant a reasonable length of time for the owner to obtain the registration certificate. In the case of such animals, a copy of the application for registry or a litter certification should be obtained showing the markings and other identifying marks or tattoos on animals not of solid color so that when the registration certificate is received, there will be no question on proper identification. VS Form 1-80 may be used for this purpose. In the case of swine, litter registration constitutes adequate proof of purebred breeding for indemnity purposes.

If there is any question as to whether an appraised animal will qualify as registered, the animal should be appraised on both the grade and registered basis, with the classification and appraisal amount for registered written above that of grade. The inapplicable entry can be crossed out when the final determination on eligibility as registered animal is made.

All registration certificates are to be forwarded to the appropriate association for cancellation with a request that the association return the canceled certificate, a photocopy of the canceled certificate, or a letter stating that it has been canceled. Stations shall photocopy all such certificates and attach the copies to the claim file prior to their submission for cancellation. The information contained on them will thus be available if no copy is returned from the association, the canceled registration certificate

or letter of cancellation should become part of the station claim file. It is not necessary for transfers of ownership to be officially recorded on the certificate.

#### E. Claimant Signatures

When applicable, affidavit of power of attorney should accompany the claim. Signature should correspond to the owner's name as shown in space at top of the form. When the certificate is signed in the name of the company or corporation, that person must also sign his own name and title to indicate that he is an authorized representative of such firm. Autograph signatures only should appear. **PRINTED SIGNATURES ARE NOT ACCEPTABLE.**

Where a claim is stated in the name of an individual owner such as John J. Jones, no one can sign the claim for such owner unless affidavit of power of attorney accompanies the claim. However, where a claim is legally stated in the name of a farm or ranch such as John J. Jones Farm, Jones Ranch, Glen Echo Farm or Bar-X Ranch, the claim could be signed by an authorized representative of such farm or ranch, as Manager, Overseer, etc. In each instance where signature is by mark, the signature must be witnessed by two persons who can write. The address of each witness must be shown with his signature.

Signatures should be of a permanent nature, using either ink, ball point pen, or indelible pencil.

If any animals or materials are mortgaged, the "are" box in the owner-claimant certificate and Items 32 through 36 must be completed on VS Form 1-23.

#### X. PROOF OF SLAUGHTER

MP 403-6, Final Postmortem Disposition of Retained Carcasses and Parts

This form, or similar form supplied by State, County or Municipal meat inspection services, on file covering each animal for which indemnity is being claimed furnishes proof of death of the animal and establishes the date of slaughter. The date of slaughter should be on or after the date of purchase or sale indicated on VS Form 1-24.

Completed certificate, Items 26 through 31, of VS Form VS 1-97 also serves as adequate proof of slaughter when postmortem findings are not necessary for completing the claim.

In cases where an official postmortem report cannot be obtained due to lost reactor tag, and/or other identification, death in transit, etc., the field station should have sufficient documentary evidence on file with the claim to establish reasonable proof of slaughter or death to the satisfaction of the Veterinarian in Charge. The responsibility for determining when reasonable proof of slaughter or death has been obtained is left to the discretion of the Veterinarian in Charge.

XI. VS FORM 1-24 PROCEEDS FROM ANIMALS SOLD FOR SLAUGHTER  
(SALVAGE)

This form (Attachment 3) or a similar form furnished by the purchaser or selling agent containing the same information is required whenever the sale or salvage of appraised animals by slaughter is permitted AND the amount received from such salvage affects the amount of indemnity paid. The original form must be on file for each animal so affected.

Reactor tag numbers must be indicated in the first column of this form and must agree with the tag numbers which appear on VS Form 1-23. The breed, or predominating breed in the case of grade animals, and sex, should be shown in the second column, for example, "Grade Hereford -- Female" or "Purebred Jersey -- Male." Such information may assist in identification of the animal in the event of a lost eartag. The weight of each individual animal sold by weight, price per pound, gross receipts, pro rata expense for each animal, and the net proceeds, should follow in the columns so designated. If the animal is sold for a lump sum price the amount should be preceded by the words "sold for lump sum" or "lump sum purchase".

The actual date of purchase or date sold and the name of the owner (payee) must be inserted in the applicable certificate and the certificate signed by an authorized representative of the firm doing the purchasing or acting as selling agent.

Indemnity cannot be paid on animals purchased or sold prior to the date of appraisal. Original forms must be submitted and carbon copies should not be accepted.

The disposition of slaughtered animals should be clearly indicated whenever the net proceeds are unusually small, as may occur when all or a portion of the carcass is condemned.

VS Form 1-24 indicates what expenses are allowed to be deducted from the gross receipts in arriving at the net salvage value. The appropriate part of 9 CFR (50 through 56) should be consulted for permissible deductions. However, charges for trucking service performed by the owner or a member of the owner's family who is financially dependent upon him, are not to be considered deductible expenses.

Each animal shall be individually sold and priced and not paid for as one of a group for which a "lump sum purchase" price was involved. Animals sold by the pound must be weighed individually. Animals may be sold for a "lump sum" price, provided they are sold separately by pricing each individual animal, except that, when permitted by regulations, animals or units of like class and value per unit may be appraised as a group. Such group appraisal shall be properly noted on VS Form 1-23.

When specific disease program standards permit the slaughter of an appraised animal for home consumption on the owner's premises and a salvage value is required, the salvage value of the animal shall be the current market value of animals of the same type, class, grade and weight. If a postmortem inspection required by the applicable program results

in the condemnation of part or all of the carcass, salvage value shall be reduced proportionally.

When an animal has been tagged and branded and/or appraised and death occurs on the farm, indemnity can be paid provided that certification as to the disposition of the carcass is furnished by the owner, rendering plant, etc. In case of death of an exposed animal from a tuberculosis infected herd, the certification should also include a statement as to whether any salvage was paid to or received by the owner as well as the amount of any such payment.

If an animal for which indemnity is being claimed dies or becomes crippled in transit, a statement is required from the owner listing the amount of insurance received or stating that he has neither received nor will receive any insurance or other indemnity covering such loss. The absence of insurance or indemnity covering such loss incurred in interstate shipment must be explained.

#### XII. INDEMNITY FOR STATE-OWNED ANIMALS

Veterinary Services will continue the policy that has existed for many years wherein Federal indemnity will not be paid for animals owned by institutions receiving State support or State-owned institutions.

#### XIII. CLAIMS FOR LESS THAN ONE DOLLAR

Veterinary Services is continuing its administrative policy of canceling claims where the amount involved is less than one dollar, due to the cost of processing such vouchers. Such claims shall not be approved for payment unless payment is specifically requested by the claimant. However, all such claims shall be kept intact in your files in the event the claimant should request payment at a later date, except that where State or Federal agencies share equally in the payment of indemnity, such as in the case of tuberculosis indemnity, the policy of the State shall be the governing factor. In other words, if the State agency approves of paying claims of less than one dollar, the Federal office should also approve such claims for payment. Payment must be made in any such case where it is specifically requested by the claimant. All persons tagging and branding, or making appraisals, should be instructed to inform owners at the time of appraisal that claims in the amount of less than one dollar will not be paid unless specifically requested.

#### XIV. ALTERATIONS ON CLAIMS

Alterations should be initiated by the proper person. For instance, changes in appraisal value should be initiated by the appraiser, changes in the amount of State indemnity by the authorized State representative or individual designated by him, changes in computation of indemnity by official in charge or individual designated by him. In no instance should material facts, dates, etc., be arbitrarily changed to serve a convenience. Such changes are to be made only as a means of correcting an error and then the changes must be initiated by the person authorized to make the correction. Printed initials are not acceptable.

#### XV. DUPLICATE CLAIM

Duplicates of "lost-in-transit" or "mislaidd" claims may be prepared as follows:

- (1) Duplicate claims may be prepared without prior approval for payees whose claims were lost in transit or mislaidd prior to their completion and transmittal for payment. If the lost papers are later received, they should be canceled and retained in the station files.
- (2) Duplicates of claims lost in transit between the area office and the appropriate finance center should not be prepared without prior approval of the Area Veterinarian in Charge.
- (3) Duplicates of claims which are lost or mislaidd after receipt in the appropriate finance center, should only be prepared upon advice of the finance center. A duplicate claim may also be prepared if upon audit at the finance center, inconsistencies are found to be great enough to necessitate restating entire claim. In case the original claim should be securely attached to the duplicate claim.

Duplicate claims should not be marked "Duplicate" or "Copy" unless the original form is also attached or a statement submitted giving disposition of the original claim.

#### XVI. SUPPLEMENTAL CLAIMS

Supplemental claims involving increases in indemnity payments from the original claim may be processed for payment in the regular manner. The VS Form 1-23 should be marked "Supplemental" and contain a reference to the original claim as well as a statement of justification for submission of the supplemental claim.

#### XVII. ROUTING, DISTRIBUTION AND FILING

VS Form 1-23 will be initiated in the field and submitted to the appropriate program office with all supporting documents.

The program office will complete each VS Form 1-23 through and including State certification, retain the suspense copy of VS 1-23, and forward the entire claim and copies of all supporting documents to the VS area office. The area office will complete the claim, return the State copy and a copy for the owner, along with copies of other appropriate documents to the appropriate program office and submit the required copy with the claim transmittal (VS Form 1-31).

The completed claim, including all Supporting documents, will be filed at the VS area office or, when appropriate, in the READEO office.

XVIII. VS FORM 1-31, INDEMNITY CLAIM TRANSMITTAL

The original copy of VS Form 1-31, Indemnity Claim Transmittal, (Attachment 4) will be used to transmit claims to the appropriate finance center for payment. The headings on the form are self-explanatory. All columns should be totaled. Claims should be forwarded as often as practicable, keeping in mind the importance of prompt payment as a contributing factor to the success of the program.

VS Memo 534.1  
Attachment 1

VS FORM 1-23  
MAY 1991

U.S. DEPARTMENT OF AGRICULTURE  
NATIONAL ANIMAL INDemnITY PROGRAM SERVICE  
VETERINARY SERVICES

ANIMALS DESTROYED  
 MATERIALS DESTROYED

LEGAL NAME AND MAILING ADDRESS OF OWNER CLAIMANT (Ind. and Seem. in R. E. No. City and Zip Code) Type of Premises

DATE OF APPRAISAL (Month, Day, Year) (If appraised by a State Agency, check box) (If appraised by a State Agency, check box)

2. ALLOTMENT NO. 3. PAGE OF

4. DATE OF CLEARING AND DISPOSAL (Month, Day, Year) OF

5. PROPER NAME OF DISEASE INVOLVED

6. IF JOINT OWNERSHIP GIVE FULL NAME OF ALL OWNERS IN SAME IN ROWS, IN ORDER (See Inventory # 4. Ownership)

7. LOCATION OF PREMISES WHERE APPRAISAL MADE (If different from Item 6)

APPROVAL NO.	SPECIES	IDENTIFICATION OR TAG NO. OF VS FORM 1-23A (Appraisals for Tag No. or Brand App. See Tag No. Form, Brand or other, Material, Lot, No., Type, Brand, etc.)	WEIGHT (Lbs. and Oz.)	APPROXIMATE VALUE (Per Tag No. or Brand App. See Tag No. Form, Brand or other, Material, Lot, No., Type, Brand, etc.)	TOTAL APPROXIMATE VALUE OF MATERIALS	SALE PRICE (Per Tag No. or Brand App. See Tag No. Form, Brand or other, Material, Lot, No., Type, Brand, etc.)	CARRIER (Name and Address)	AMOUNT DUE FROM UNITED STATES
1	10	11	15	\$ 18	\$ 18	\$ 21		\$
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5								
				<b>GRAND TOTALS (Basis For Payment)</b>	<b>\$</b>	<b>\$</b>		<b>\$</b>

26. SOURCE OF PUNCH DATA, INBOX SPECIAL FACTORS AFFECTING VALUE OF ANIMALS AND/OR MATERIALS

27. SIGNATURE OF GOVERNMENT APPRAISER OR REPRESENTATIVE

28. SIGNATURE OF SPECIAL REPORT APPRAISER

29. TITLE

30. TITLE

31. DATE

32. TITLE OF CLAIMANT (Owner, Lessee, Mortgagee, etc.)

33. IF MORTGAGEE CHECK INDUSTRY CHECK WILL BE MAILED IN FAVOR OF MORTGAGEE AND SHOULD BE MAILED TO OWNER

34. NAME AND ADDRESS OF MORTGAGEE (Include no name)

35. SIGNATURE OF MORTGAGEE OR AUTHORIZED REPRESENTATIVE IN ITEM 34

36. TITLE (Signed by Auth. Representative)

37. DATE

38. DATE

39. DATE

40. DATE

41. STATE AGENCY

42. BY (Signature)

43. BY (Signature)

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U.S. DEPARTMENT OF AGRICULTURE  
ANIMAL AND PLANT HEALTH INSPECTION SERVICE  
VETERINARY SERVICES

1 LEGAL NAME AND MAILING ADDRESS OF OWNER CLAIMANT (No. and Street,  
or P.O. No., City and Zip Code) (Type or print)

2 PAGE \_\_\_\_\_ OF \_\_\_\_\_

3 PROPER NAME OF DISEASE INVOLVED \_\_\_\_\_

CONTINUATION SHEET - INDEMNITY CLAIM FOR:

ANIMALS DESTROYED  MATERIALS DESTROYED

No.	APPRAISAL			IDENTIFICATION			APPRAISAL VALUE PER UNIT	UNIT (Tons, etc.)	WEIGHT OR UNITS	TOTAL APPRAISAL VALUE OF ALL ANIMALS OR MATERIALS	SAVAGE IF FROM VS 12N	DIFFER- ENCE	AMOUNT DUE FROM		
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Carry Forward to Page 1, VS Form 1-23

VS FORM 1-23A (MAY 84) Previous editions are obsolete  
Approved by the Comptroller Gen., 11-5  
Pub. (Rev. 5-8-84)







## Appendix II

### 9 CFR 53

*Note:* The 2001 version of 9 CFR 53 appears below. The reader is advised to use the most current available version of the CFR, which is published annually.

#### Animal and Plant Health Inspection Service, USDA

§53.1

under §52.5, to the veterinarian in charge on a form furnished by APHIS.

(b) When swine have been destroyed under §52.2(b), any claim for indemnity must be presented, through the inspector in charge, to APHIS on a form furnished by APHIS.

(c) For all claims for indemnity, the owner of the swine must certify on the claim form that the swine covered are, or are not, subject to any mortgage as defined in this part. If the owner states there is a mortgage, the owner and each person holding a mortgage on the swine must sign, consenting to the payment of indemnity to the person specified on the form.

(Approved by the Office of Management and Budget under control number 0579-0137)

[65 FR 20711, Apr. 18, 2000]

#### §52.5 Report of net salvage proceeds.

A report of the amount for net salvage derived from the sale of each animal for which a claim for indemnity is made under §52.2(a) must be made on a salvage form that shows the gross receipts, expenses if any, and net proceeds. The original or a copy of the salvage form must be furnished by the owner to the veterinarian in charge.

(Approved by the Office of Management and Budget under control number 0579-0151)

[65 FR 20712, Apr. 18, 2000]

#### §52.6 Claims not allowed.

(a) The Department will not allow claims arising out of the destruction of swine unless the swine have been appraised as prescribed in this part and the owners have signed a written agreement to the appraisals.

(b) The Department will not allow claims arising out of the destruction of swine that have been moved or handled by the owner or a representative of the owner in violation of a law or regulation administered by the Secretary regarding animal disease, or in violation of a law or regulation for which the Secretary has entered into a cooperative agreement.

(Approved by the Office of Management and Budget under control number 0579-0137)

[64 FR 2549, Jan. 15, 1999. Redesignated at 65 FR 20711, Apr. 18, 2000]

#### §52.7 Disinfection of premises, conveyances, and materials.

All premises, including barns, stockyards and pens, and all cars and other conveyances, and the materials on any premises or conveyances used to house or transport swine for which indemnity is paid under this part must be cleaned and disinfected under the supervision of an APHIS employee after removal of the swine from the known infected herd. Premises may be restocked with swine 30 days following an approved cleaning and disinfection, unless an official pseudorabies epidemiologist determines that a shorter or longer period of time is adequate or necessary to protect new animals against infection. The owner to whom the indemnity is paid will be responsible for expenses incurred in connection with the cleaning and disinfection of the conveyances used to transport the swine to the location of disposal.

[64 FR 13065, Mar. 17, 1999. Redesignated at 65 FR 20711, Apr. 18, 2000]

#### PART 53—FOOT-AND-MOUTH DISEASE, PLEUROPNEUMONIA, RINDERPEST, AND CERTAIN OTHER COMMUNICABLE DISEASES OF LIVESTOCK OR POULTRY

##### Sec.

- 53.1 Definitions.
- 53.2 Determination of existence of disease; agreements with States.
- 53.3 Appraisal of animals or materials.
- 53.4 Destruction of animals.
- 53.5 Disinfection or destruction of materials.
- 53.6 Disinfection of animals.
- 53.7 Disinfection of premises, conveyances, and materials.
- 53.8 Presentation of claims.
- 53.9 Mortgage against animals or materials.
- 53.10 Claims not allowed.

**AUTHORITY:** 21 U.S.C. 111, 114, 114a; 7 CFR 2.22, 2.80, and 371.2(d).

**CROSS REFERENCE:** For non-applicability of part 53 with respect to certain claims for indemnity, see §51.10 of this chapter.

#### §53.1 Definitions.

**Administrator.** The Administrator, Animal and Plant Health Inspection Service, or any person authorized to act for the Administrator.

## §53.2

## 9 CFR Ch. I (1-1-0) Edition)

*Animal and Plant Health Inspection Service.* The Animal and Plant Health Inspection Service of the United States Department of Agriculture (APHIS).

*Animals.* Livestock, poultry, and all other members of the animal kingdom, including birds whether domesticated or wild, but not including man.

*APHIS employee.* Any individual employed by the Animal and Plant Health Inspection Service who is authorized by the Administrator to do any work or perform any duty in connection with the control and eradication of disease.

*Bird.* Any member of the class *aves* other than poultry.

*Department.* The United States Department of Agriculture.

*Disease.* Foot-and-mouth disease, rinderpest, contagious pleuropneumonia, exotic Newcastle disease, highly pathogenic avian influenza, or any other communicable disease of livestock or poultry that in the opinion of the Secretary constitutes an emergency and threatens the livestock or poultry of the United States.

*Exotic Newcastle Disease (END).* Any velogenic Newcastle disease. Exotic Newcastle disease is an acute, rapidly spreading, and usually fatal viral disease of birds and poultry.

*Highly pathogenic avian influenza.* (1) Any influenza virus that kills at least 75 percent of eight 4- to 6-week-old susceptible chickens within 10 days following intravenous inoculation with 0.2 ml of a 1:10 dilution of a bacteria-free, infectious allantoic fluid;

(2) Any H5 or H7 virus that does not meet the criteria in paragraph (1) of this definition, but has an amino acid sequence at the hemagglutinin cleavage site that is compatible with highly pathogenic avian influenza viruses; or

(3) Any influenza virus that is not an H5 or H7 subtype and that kills one to five chickens and grows in cell culture in the absence of trypsin.

*Inspector in charge.* An APHIS employee who is designated by the Administrator to take charge of work in connection with the control and eradication of disease.

*Materials.* Parts of barns or other structures, straw, hay, and other feed for animals, farm products or equipment, clothing, and articles stored in

or adjacent to barns or other structures.

*Mortgage.* Any mortgage, lien, or other security or beneficial interest held by any person other than the one claiming indemnity.

*Person.* Any individual, corporation, company, association, firm, partnership, society, joint stock company, or other legal entity.

*Pet bird.* Any bird that is kept for personal pleasure and is not for sale.

*Poultry.* Chickens, ducks, geese, swans, turkeys, pigeons, doves, pheasants, grouse, partridges, quail, guinea fowl, and pea fowl.

*Secretary.* The Secretary of Agriculture of the United States, or any officer or employee of the Department to whom authority has been or may be delegated to act in the Secretary's stead.

*State.* Each of the States of the United States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, Guam, the Virgin Islands of the United States, or any other territory or possession of the United States.

[61 FR 56882, Nov. 5, 1996]

**§53.2 Determination of existence of disease; agreements with States.**

(a) The Director of Division is hereby authorized to invite the proper State authorities to cooperate with the Department in the control and eradication of any disease within the meaning of §53.1(f).

(b) Upon agreement of the authorities of the State to enforce quarantine restrictions and orders and directives properly issued in the control and eradication of such a disease, the Director of Division is hereby authorized to agree, on the part of the Department, to cooperate with the State in the control and eradication of the disease, and to pay 50 percent (and in the case of exotic Newcastle disease or highly pathogenic avian influenza, up to 100 percent) of the expenses of purchase, destruction and disposition of animals and materials required to be destroyed because of being contaminated by or exposed to such disease: *Provided, however,* That if the animals were exposed to such disease prior to or during interstate movement and are not eligible to receive indemnity from

## Animal and Plant Health Inspection Service, USDA

## §53.6

any State, the Department may pay up to 100 percent of the purchase, destruction, and disposition of animals and materials required to be destroyed: *Provided, further*, That the cooperative program for the purchase, destruction, and disposition of birds shall be limited to birds which are identified in documentation pursuant to Cooperative Agreements,<sup>1</sup> as constituting a threat to the poultry industry of the United States: *And provided further*, That the Secretary may authorize other arrangements for the payment of such expenses upon finding that an extraordinary emergency exists.

[37 FR 5689, Mar. 18, 1972, as amended at 49 FR 3448, Jan. 27, 1984; 49 FR 26712, June 28, 1984; 61 FR 56883, Nov. 5, 1996]

## §53.3 Appraisal of animals or materials.

(a) Animals affected by or exposed to disease, and materials required to be destroyed because of being contaminated by or exposed to disease shall be appraised by an APHIS employee and a representative of the State jointly, or, if the State authorities approve, by an APHIS employee alone.

(b) The appraisal of animals shall be based on the fair market value and shall be determined by the meat, egg production, dairy or breeding value of such animals. Animals may be appraised in groups providing they are the same species and type and providing that where appraisal is by the head each animal in the group is the same value per head or where appraisal is by the pound each animal in the group is the same value per pound.

(c) Appraisals of animals shall be reported on forms furnished by APHIS. Reports of appraisals shall show the number of animals of each species and the value per head or the weight and value by pound.

(d) Appraisals of materials shall be reported on forms furnished by APHIS. Reports of appraisals of materials shall, when practicable, show the number, size or quantity, unit price, and

<sup>1</sup>Agreements between the Departments and the particular State involved relating to cooperative animal (including poultry) disease prevention, control, and eradication.

total value of each kind of material appraised.

(21 U.S.C. 112, 113, 115, 117, 120, 121, 134b)

[28 FR 5935, June 13, 1963, as amended at 35 FR 13981, Sept. 3, 1970; 36 FR 25217, Dec. 30, 1971; 56 FR 51974, Oct. 17, 1991]

## §53.4 Destruction of animals.

(a) Animals affected by or exposed to disease shall be killed promptly after appraisal and disposed of by burial or burning, unless otherwise specifically provided by the Administrator in extraordinary circumstances.

(b) The killing of animals and the burial, burning, or other disposal of carcasses of animals pursuant to the regulations in this part shall be supervised by an APHIS employee who shall prepare and transmit to the Administrator a report identifying the animals and showing the disposition thereof.

[28 FR 5935, June 13, 1963, as amended at 56 FR 51974, Oct. 17, 1991]

## §53.5 Disinfection or destruction of materials.

(a) In order to prevent the spread of disease, materials contaminated by or exposed to disease shall be disinfected: *Provided, however*, That in all cases in which the cost of disinfection would exceed the value of the materials or disinfection would be impracticable for any reason, the materials shall be destroyed, after appraisal as provided in §53.3.

(b) The disinfection or destruction of materials under this section shall be under the supervision of an APHIS employee who shall prepare and transmit to the Administrator a certificate identifying all materials which are destroyed, showing the disposition thereof.

[28 FR 5935, June 13, 1963, as amended at 56 FR 51974, Oct. 17, 1991]

## §53.6 Disinfection of animals.

Animals of species not susceptible to the disease for which a quarantine has been established, but which have been

## §53.7

exposed to the disease, shall be disinfected when necessary by such methods as the Administrator shall prescribe from time to time.

[28 FR 5935, June 13, 1963, as amended at 56 FR 51974, Oct. 17, 1991]

## §53.7 Disinfection of premises, conveyances, and materials.

All premises, including barns, corals, stockyards and pens, and all cars, vessels, aircraft, and other conveyances, and the materials thereon, shall be cleaned and disinfected under supervision of an APHIS employee whenever necessary for the control and eradication of disease. Expenses incurred in connection with such cleaning and disinfection shall be shared according to the agreement reached under §53.2 with the State in which the work is done.

[28 FR 5935, June 13, 1963, as amended at 56 FR 51974, Oct. 17, 1991]

## §53.8 Presentation of claims.

Claims for (a) compensation for the value of animals, (b) cost of burial, burning or other disposition of animals, (c) the value of material destroyed, and (d) the expenses of destruction, shall each be presented, through the inspector in charge, to APHIS on separate vouchers in form approved by the Administrator.

[28 FR 5935, June 13, 1963, as amended at 56 FR 51974, Oct. 17, 1991]

## §53.9 Mortgage against animals or materials.

When animals or materials have been destroyed pursuant to the requirements contained in this part, any claim for indemnity shall be presented on forms furnished by APHIS on which the owner of the animals or materials shall certify that the animals or materials covered thereby, are, or are not, subject to any mortgage as defined in this part. If the owner states there is a mortgage, forms furnished by APHIS shall be signed by the owner and by each person holding a mortgage on the animals or materials, consenting to the payment of any indemnity allowed to the person specified thereon.

[28 FR 5935, June 13, 1963, as amended at 56 FR 51974, Oct. 17, 1991]

## 9 CFR Ch. I (1-1-01 Edition)

## §53.10 Claims not allowed.

(a) The Department will not allow claims arising under the terms of this part if the payee has not complied with all quarantine requirements.

(b) Expenses for the care and feeding of animals held for destruction will not be paid by the Department, unless the payment of such expense is specifically authorized or approved by the Administrator.

(c) The Department will not allow claims arising out of the destruction of animals or materials unless they shall have been appraised as prescribed in this part and the owners thereof shall have executed a written agreement to the appraisals.

(d) The Department will not allow claims arising out of the destruction of animals or materials which have been moved or handled by the owner thereof or its officer, employee, or agent, acting within the scope of his or its office, employment or agency, in violation of a law or regulation administered by the Secretary for the prevention of the introduction into or the dissemination within the United States of any communicable disease of livestock or poultry for which the animal or material was destroyed, or in violation of a law or regulation for the enforcement of which the Secretary enters or has entered into a cooperative agreement for the control and eradication of such disease.

[28 FR 5935, June 13, 1963, as amended at 45 FR 8641, Dec. 31, 1980; 56 FR 51974]

## PART 54—CONTROL OF SCRAPIE

## Sec.

## 54.1 Definitions.

## Subpart A [Reserved]

## Subpart B—Voluntary Scrapie Flock Certification Program

## 54.10 Administration.

## 54.11 Participation.

## 54.12 State Scrapie Certification Boards.

## 54.13 Cooperative agreements with States.

## 54.14 Waiver of requirements for scrapie control pilot projects.

AUTHORITY: 21 U.S.C. 111, 114, 114a, and 134a-134b; 7 CFR 2.22, 2.80, and 371.2(d).

**Appendix III  
Sample Personnel  
Orientation Factsheets**

**Biosecurity: DOs and DON'Ts**

Before ENTERING a premises,

DO:

- Consult with the owner to identify an arbitrary line on the site demarcating a “clean” side and a “dirty” side.
- Wash your hands with soap and water.
- Park your vehicle away from site production facilities and/or ensure that your vehicle’s tires and wheel wells have been hosed so they are *free of dirt and debris* and/or that your vehicle has been taken through a pressure car wash.
- Put on clean coveralls, boots, gloves, hats, and other apparel and use only clean equipment and supplies.
- Designate a “clean” area in your vehicle—usually the passenger compartment. Keep it separate from the “dirty” area—usually the trunk or cargo area.

DON'T:

- Enter a site’s or vehicle’s “clean” area unless you have disposed of or cleaned and disinfected all clothes, footwear, gloves, hats, equipment, supplies, and other sources of disease transmission.
- Attempt to disinfect a surface unless it first has been cleaned thoroughly.
- Drive your vehicle on a premises any more than necessary. An on-site vehicle should be used for on-site transportation whenever possible.

(Continued)

**Appendix III  
Sample Personnel  
Orientation Factsheets**

**Biosecurity: DOs and DON'Ts**

(Continued)

Before LEAVING a premises,

DO:

- Wash your hands with soap and water.
- Use a brush and approved disinfectant to clean and disinfect all reusable equipment and clothing, including eyewear, thoroughly.
- Dispose of the disinfectant solution according to label instructions.
- Hose down vehicle tires and wheel wells so they are *free of dirt and debris*.
- Place disposable coveralls (turned “inside out”), boots, and other soiled items in a plastic garbage bag to be left with the owner or placed in the “dirty” area of your vehicle.
- At the end of the day/visit, clean and/or launder all reusable clothing and equipment. Take a shower and shampoo your hair, clean under your fingernails, and clear your respiratory passages by blowing your nose, clearing your throat, and expectorating into a sink with running water.

DON'T:

- Bring “dirty” paperwork into the clean area of your vehicle.
- Visit another susceptible site until 12 hrs have passed.\*

\*The minimum waiting period of 12 hrs applies only to official animal health emergency personnel who follow biosecurity procedures on their premises visits. For other premises visitors, the minimum waiting period is 5 days. Additional information is available in the NAHEMS “Biosecurity” and “Cleaning and Disinfection” guidelines (in progress).

**Appendix III  
Sample Personnel  
Orientation Factsheets**

**Appraisal: An Overview**

In conducting an appraisal, the Appraisal Team is responsible for completion of the following steps:

- Understand safety precautions as well as hazards and ways to avoid them.
- Observe biosecurity measures for entering an infected premises.
- In consultation with the owner, draw a rough map showing the location of each group of animals or contaminated material so that each item can be “checked off” as it is appraised.
- Using VS Form 1-23, appraise the fair market value of the animal(s) and/or materials.
- Calculate any indemnity payment due the claimant.
- Obtain the required signatures.
- Notify the Appraisal Officer immediately upon completion of the appraisal.
- Observe biosecurity measures for leaving an infected premises.